

Exhibit A

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next page]

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

PAMELA RUBIN-KNUDSEN, an
individual; and MARNINE
CASILLAS, an individual on behalf
of themselves, and all other persons
similarly situated,

Plaintiffs,

vs.

ARTHUR J. GALLAGHER & CO.,
a Delaware corporation, ARTHUR J.
GALLAGHER SERVICE
COMPANY, LLC, a limited liability
company,

Defendants.

Case No.: 2:18-cv-06227-JGB-SPx

**STIPULATION OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT**

Complaint Filed: July 18, 2018
SAC Filed: January 15, 2019
Trial Date: March 2, 2021

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I. INTRODUCTION

1. This Stipulation of Class and Representative Action Settlement and Release (hereinafter “Settlement Agreement”) is made and entered into by and between the following Parties: Plaintiffs Pamela Rubin-Knudsen and Marnine Casillas (“Plaintiffs”), individually and on behalf of all Class Members and Defendants Arthur J. Gallagher & Co. and Arthur J. Gallagher Service Company, LLC (“Defendants”) (collectively, the “Parties”), through their respective counsel of record.

2. This Settlement Agreement is subject to the terms and conditions set forth below and to the approval of the Court. This Settlement Agreement sets forth the Parties’ class and representative action settlement to resolve all of the claims asserted in the Action and/or claims that could have been alleged in the Action based on the facts alleged in the Complaints. As detailed below, if the Court does not enter an order granting Final Approval of Settlement, or if the associated judgment does not become final for any reason, this Settlement Agreement shall be deemed null and void and shall be of no force or effect whatsoever.

II. DEFINITIONS

3. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement also shall be applicable.

4. “Action” means the lawsuit captioned above.

5. “Class Counsel” means Frank Sims Stolper, LLP, Jason M. Frank and Scott H. Sims.

6. “Class Counsel Award” means the total amount to be paid to Class Counsel, including Class Counsel Fees and Class Counsel Expenses.

7. “Class Counsel Expenses” means the amount of reasonable litigation expenses Class Counsel actually incurred in connection with this Action, not to exceed \$150,000.00, including their pre-filing investigation, their filing of the

1 Action and all related litigation activities, this Settlement, and all post-Settlement
2 compliance procedures.

3 8. “Class Counsel Fees” means an amount not to exceed \$2,666,667.00
4 (33% of the Gross Settlement Amount) to compensate Class Counsel for their
5 attorneys’ fees incurred in connection with the Action, including their pre-filing
6 investigation, their filing of the Action and all related litigation activities, this
7 Settlement, and all post-Settlement compliance procedures.

8 9. “Class Information” means information regarding Class Members that
9 Defendants will in good faith compile from its Human Resources electronic records
10 and provide only to the Settlement Administrator in a secure manner on a
11 confidential basis. The Class Information shall include each Class Member’s full
12 name; last known mailing address to the extent available in Defendants’ electronic
13 business records; Social Security Number; and number of Qualifying Workweeks.

14 10. “Class” or “Class Members” means all current and former Client
15 Service Managers, Client Service Manager Seniors, Client Service Manager IIs, and
16 Client Service Manager IIIs (collectively, a “Client Service Manager Position”),
17 employed by either or both Defendants in the State of California at any time during
18 the Class Period, and who were classified as exempt from state and federal overtime
19 compensation requirements while in a Client Service Manager Position at any time
20 during the Class Period.

21 11. “Class Period” means the period from July 18, 2014 through the earlier
22 of the date of Preliminary Approval or December 31, 2020.

23 12. “Class Representative Enhancement” means the amount to be paid to
24 Plaintiffs in recognition of their efforts and work in prosecuting the Action on behalf
25 of Class Members. Defendants agree to pay a Class Representative Enhancement of
26 up to \$25,000.00, consisting of up to \$15,000.00 to Plaintiff Rubin-Knudsen and up
27 to \$10,000.00 to Plaintiff Casillas, subject to the Court finally approving this
28 Settlement Agreement and subject to the exhaustion of any and all appeals. Any

1 portion of the Class Representative Enhancement not awarded to Plaintiffs will not
2 revert to Defendants, but instead shall be returned to the Net Fund Value for
3 distribution to Participating Class Members.

4 13. "Client Service Manager Position" shall have the meaning set forth in
5 Paragraph 10 of this Settlement Agreement.

6 14. "Complaints" means the initial pleading filed in the United States
7 District Court, Central District of California, Case No. 2:18-cv-06227-JGB-SP, on
8 July 18, 2018, the First Amended Complaint, filed on August 29, 2018, and the
9 operative Second Amended Complaint, filed on January 25, 2019.¹

10 15. "Court" means the United States District Court for the Central District
11 of California.

12 16. "Defendants" means Arthur J. Gallagher & Co. and/or Arthur J.
13 Gallagher Service Company, LLC.

14 17. "Defendant's Counsel" means Winston & Strawn LLP.

15 18. "Effective Date" means the latter of: (a) if no appeal is filed, 30 days
16 after both Final Approval of the Settlement and entry of judgment; or (b) if an appeal
17 of the Final Approval is filed, the date on which the Court of Appeals or Supreme
18 Court renders a final judgment affirming the trial court's Final Approval.

19 19. "Final Approval" means the Court order granting final approval of the
20 Settlement Agreement.

21 20. "Gross Settlement Amount" means the maximum amount of
22 \$8,000,000.00 to be paid by Defendants under this Settlement Agreement (subject to
23 Final Approval and exhaustion of any and all appeals) to settle the Action, inclusive
24 of the total settlement value for all damages, restitution, penalties, taxes and interest,
25 all payments to Participating Class Members (including employee-side taxes), the
26 Class Counsel Award, Settlement Administration Costs to the Settlement

27 ¹ All Complaints and the PAGA Notice will be accessible to Class Members via the
28 Settlement Administrator's website at CSM-Settlement.com.

1 Administrator, PAGA Payment, and the Class Representative Enhancement to
2 Plaintiff. The Gross Settlement Amount shall also include any interest that accrues in
3 the escrow account created by the Settlement Administrator. The Gross Settlement
4 Amount may increase pursuant to the terms set forth in Paragraph 74 below.

5 21. “Individual Settlement Share” means each Class Member’s share of the
6 Net Fund Value calculated in accordance with the calculations described in
7 Paragraph 66. Payment of an Individual Settlement Share shall be referred to as an
8 “Individual Settlement Payment.”

9 22. “Net Fund Value” means the portion of the Gross Settlement Amount
10 remaining after deduction of the: (1) Class Representative Enhancement to Plaintiffs,
11 (2) Settlement Administration Costs to the Settlement Administrator, (3) Class
12 Counsel Award, and (4) PAGA Payment. The Net Fund Value will be distributed to
13 Participating Class Members.

14 23. “Notice of Settlement” or “Notices of Settlement” means the notice
15 (substantially in the form attached hereto as **Exhibit A**) that the Court orders to be
16 sent to all Class Members advising them of their rights under this Settlement
17 Agreement.

18 24. “PAGA Payment” means an amount of up to \$10,000.00, the amount
19 attributable to Plaintiffs’ claims pursuant to the California Private Attorneys General
20 Act of 2004, Cal. Labor Code § 2698 *et seq.* (“PAGA”). Pursuant to the PAGA,
21 seventy-five percent (75%) – i.e., \$7,500.00 – of this amount shall be paid to the
22 LWDA and twenty-five percent (25%) – i.e., \$2,500.00 – shall be distributed to all
23 PAGA Representative Class Members on a per capita basis.

24 25. “PAGA Representative Class Members” means all current and former
25 Client Service Managers, Client Service Manager Seniors, Client Service Manager
26 IIs, and Client Service Manager IIIs (collectively, a “Client Service Manager
27 Position”), employed by either or both Defendants in the State of California at any
28 time during the PAGA Representative Class Period, and who were classified as

1 exempt from state and federal overtime compensation requirements while in a Client
2 Service Manager Position at any time during the PAGA Representative Class Period.

3 26. “PAGA Representative Class Period” means the period from July 18,
4 2017 through the earlier of the date of Preliminary Approval or December 31, 2020.

5 27. “PAGA Settlement Share” means each PAGA Representative Class
6 Member’s share of 25 percent of the PAGA Payment, calculated in accordance with
7 the calculations described in Paragraph 68. Payment of a PAGA Settlement Share
8 shall be referred to as a “PAGA Settlement Payment.”

9 28. “Participating Class” or “Participating Class Members” means all Class
10 Members who do not submit a valid letter requesting to be excluded from the
11 Settlement (*i.e.*, opt-out), consistent with the terms set forth in this Settlement
12 Agreement.

13 29. “Parties” means Plaintiffs and Defendants, collectively, and “Party”
14 shall mean either Plaintiffs or Defendants, individually.

15 30. “Plaintiffs” means the named Plaintiffs in the Action, Pamela Rubin-
16 Knudsen and Marnine Casillas.

17 31. “Preliminary Approval” means the Court order granting preliminary
18 approval of the Settlement Agreement without material change to the Settlement
19 Agreement.

20 32. “Qualified Settlement Account” means the account established by the
21 Settlement Administrator, into which the Gross Settlement Amount shall be
22 deposited.

23 33. “Qualifying Workweeks” means the number of weeks in which a Class
24 Member was employed by, and performed work for, either or both Defendants, in
25 California in an exempt-classified Client Service Manager Position during the Class
26 Period. Each Qualifying Workweek runs from Sunday to Saturday.

27 34. “Released Class Claims” shall have the meaning set forth in Paragraph
28 75 of this Settlement Agreement.

1 35. “Released PAGA Claims” shall have the meaning set forth in Paragraph
2 76 of this Settlement Agreement.

3 36. “Response Deadline” means the date forty-five (45) calendar days after
4 the Settlement Administrator mails the Notice of Settlement to Class Members and
5 the last date on which Class Members may: (a) postmark written requests to be
6 excluded from this Settlement, or (b) file a Notice of Objection to the Settlement
7 with the Court and serve on counsel for the Parties. If the 45th day falls on a Sunday
8 or federal holiday, the Response Deadline will be extended to the next day on which
9 the U.S. Postal Service is open.

10 37. “Settlement” means the Parties’ agreement to compromise the Action,
11 the material terms of which are set forth in this Settlement Agreement.

12 38. “Settlement Administrator” means Atticus Administration, LLC.

13 39. “Settlement Administration Costs” means the expense payable from the
14 Gross Settlement Amount to the Settlement Administrator for administering this
15 Settlement, including, but not limited to, creating and maintaining a settlement
16 website, mailing Notices of Settlement to the Class Members, calculating weeks of
17 employment from the Class Information, printing, distributing, and tracking forms
18 for this Settlement, tax reporting, distributing the Net Fund Value, Class Counsel
19 Award, and PAGA Payment, providing necessary reports and declarations, as
20 requested by the Parties, and sending CAFA notice pursuant to 28 U.S.C. § 1715.
21 The Settlement Administration Costs are estimated to be up to \$15,000.00. Any
22 portion of the Settlement Administration Costs that are not used or which are not
23 awarded by the Court will not revert to Defendants, but instead will be part of the
24 Net Fund Value for distribution to Participating Class Members. If the Settlement
25 Administration Costs exceed \$15,000.00, such cost will be deducted from the Net
26 Fund Value.

27 40. “Settlement Agreement” means this Stipulation of Class and
28 Representative Action Settlement and Release.

III. RECITALS

41. Procedural History. Plaintiffs were employed by Defendants in California in exempt Client Service Manager Positions. Plaintiffs, represented by Frank Sims Stolper, LLP, filed this Action on July 18, 2018 in the United States District Court, Central District of California. The operative Second Amended Complaint, filed January 25, 2019, is on behalf of “[a]ll persons who are or were previously employed by Defendants as Client Service Managers in California and were classified as exempt from overtime wages.” With respect to the claim under California’s Unfair Competition Law, the class period is four (4) years prior to the filing of the action; with respect to the rest of the claims, the class period is three (3) years prior to the filing of the action. Plaintiffs’ Second Amended Complaint includes claims for: (1) failure to pay overtime compensation; (2) failure to provide off-duty meal periods; (3) failure to provide accurate wage statements; (4) failure to pay wages due at termination; (5) violation of California’s unfair competition law; and (6) violation of California’s Private Attorneys General Act (“PAGA”).

42. Mediation. The Parties participated in two private mediations with Deborah Saxe, Esq. at JAMS, an experienced and neutral mediator specializing in employment and wage and hour mediations, on July 2, 2019 and September 4, 2020. The Parties then had multiple follow-up settlement telephone conferences with the Mediator between September 4, 2020 and September 22, 2020.

43. Benefits of Settlement to Class Members. Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to litigate their disputes through class certification, trial, and through any possible appeals. Plaintiffs and Class Counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiffs and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both generally and in response to Defendants’ defenses thereto, and the difficulties in establishing

1 liability and damages for the Class Members. Plaintiffs and Class Counsel have also
2 taken into account the extensive settlement negotiations conducted. Further,
3 Plaintiffs and Class Counsel have taken into account Defendants' agreement to enter
4 into a settlement that confers substantial relief upon the Class Members. Based on
5 the foregoing, Plaintiffs and Class Counsel have determined that the Settlement set
6 forth in this Settlement Agreement is a fair, adequate, and reasonable settlement, and
7 is in the best interests of the Class Members.

8 44. Defendants' Reasons for Settlement. Defendants have concluded that
9 any further defense of this litigation would be protracted and expensive for all
10 Parties. Unless this Settlement is made, Defendants will devote substantial amounts
11 of time, energy, and resources to the defense of the claims asserted by Plaintiffs.
12 Defendants have also taken into account the risks of further litigation in reaching
13 their decision to enter into this Settlement. Despite continuing to contend that they
14 are not liable for any of the claims set forth by Plaintiffs, Defendants have,
15 nonetheless, agreed to settle in the manner and upon the terms set forth in this
16 Agreement to put to rest the claims as set forth in the Action. Defendants claim and
17 continue to claim that the Action and Released Class Claims and Released PAGA
18 Claims have no merit and do not give rise to liability. This Agreement is a
19 compromise of disputed claims. Nothing contained in this Agreement, no documents
20 referred to herein, and no action taken to carry out this Agreement may be construed
21 or used as an admission by or against Defendants as to the merits or lack thereof of
22 the claims asserted.

23 **IV. DUTIES OF THE PARTIES PRIOR TO PRELIMINARY APPROVAL**
24 **AND BETWEEN PRELIMINARY AND FINAL APPROVAL**

25 45. Promptly after execution of this Settlement Agreement, Plaintiffs shall
26 move the Court for Preliminary Approval of the Settlement and request entry of an
27 order accomplishing the following: (a) preliminarily approving the Settlement;
28 (b) approving as to form and content the proposed Notice of Settlement; (c) directing

1 the mailing of the Notice of Settlement; (d) preliminarily appointing Plaintiffs and
2 Class Counsel as representatives of the Class Members; (e) preliminarily approving
3 the application for Class Counsel Fees and Class Counsel Expenses payable to Class
4 Counsel; (f) preliminarily approving the Class Representative Enhancement to
5 Plaintiffs; (g) preliminarily approving the PAGA Payment; (h) preliminarily
6 approving settlement administration services to be provided by the Settlement
7 Administrator, and its estimated fees and costs of \$15,000.00 and (i) scheduling the
8 Final Approval hearing, which is a fairness hearing on the question of whether the
9 proposed Settlement Agreement should be finally approved as fair, reasonable, and
10 adequate as to the Class Members.

11 46. The Parties shall submit this Settlement Agreement in support of
12 Plaintiffs' unopposed motion for Preliminary Approval of the Settlement. Plaintiffs
13 shall not file the unopposed motion for Preliminary Approval or any other
14 documents related to seeking Court approval of the Settlement without first
15 providing a draft of the pleading to Defendants' Counsel and providing Defendants'
16 Counsel with the opportunity to review, comment and propose changes.

17 47. At the same time that Plaintiffs file the Motion for Preliminary
18 Approval, Plaintiffs shall also submit to the LWDA a copy of the proposed
19 Settlement pursuant to Labor Code § 2699. Class Counsel shall draft the Motion for
20 Preliminary Approval and shall provide the draft of the motion to Defendants'
21 Counsel at least seven (7) calendar days before filing the motion with the Court, and
22 Defendants' counsel will provide any comments or proposed changes within four (4)
23 calendar days thereafter.

24 48. Class Counsel will file a motion for Final Approval of the Settlement
25 and supporting documents with the Court at least twenty-eight (28) calendar days
26 prior to Final Approval hearing. Supporting documents include: (a) a declaration by
27 the Settlement Administrator of due diligence and proof of mailing of the Notice of
28 Settlement required to be mailed to Class Members by this Settlement Agreement,

1 and of the delivery results of the Settlement Administrator's mailings including
2 tracing and re-mailing efforts; (b) a proposed order granting Final Approval; and
3 (c) a proposed final judgment. Seven (7) calendar days prior to filing for Final
4 Approval, Class Counsel will send Defendants' Counsel the motion for Final
5 Approval of the Settlement for review, comments, and proposed changes, and
6 Defendants' counsel will provide any comments or proposed changes within four (4)
7 calendar days thereafter. The Parties will meet and confer and agree upon the
8 proposed order granting Final Approval and the proposed final judgment. If the
9 parties are unable to reach agreement on the proposed order granting Final Approval
10 and/or the proposed final judgment the parties will lodge their respective versions
11 with the Court.

12 49. Defendants will not oppose Final Approval of the Settlement if it does
13 not void or revoke the Settlement Agreement pursuant to Paragraph 73 and so long
14 as it is consistent with the terms set forth in this Settlement Agreement.

15 50. As described in Paragraph 48, Class Counsel will submit a proposed
16 order for Final Approval and a proposed judgment. The proposed order shall include
17 the following findings and orders: (a) approving the Settlement, adjudging the terms
18 thereof to be fair, reasonable and adequate, and directing that its terms and
19 provisions be carried out; (b) approving the payment of the Class Representative
20 Enhancement award to Plaintiffs; (c) approving Class Counsel's application for
21 Class Counsel Fees and Class Counsel Expenses; (d) approving the PAGA Payment;
22 and (e) providing that the Court will retain jurisdiction to oversee administration and
23 enforcement of the terms of the Settlement and the Court's orders.

24 **V. DUTIES OF THE PARTIES AFTER FINAL COURT APPROVAL**

25 51. Following entry of the Court's Final Approval of the Settlement
26 Agreement and entry of judgment, the Parties will each act to assure their timely
27 execution and the fulfillment of all their provisions, including but not limited to the
28 following:

1 a. Should an appeal be taken from the Final Approval of the
2 Settlement Agreement, all Parties will support the Final Approval order on
3 appeal.

4 b. Defendants' Counsel will reasonably assist the Settlement
5 Administrator as needed or requested in the process of identifying and locating
6 Class Members entitled to payments from the Gross Settlement Amount.

7 c. Class Counsel will ensure that the Settlement Administrator will
8 certify to the Court completion of all payments required to be made by this
9 Settlement Agreement.

10 **VI. TERMS OF AGREEMENT**

11 Plaintiffs, on behalf of themselves and the Participating Class Members, and
12 Defendants agree as follows:

13 52. Terms of Agreement Subject to Court Approval. All terms set forth in
14 this Settlement Agreement are subject to Court approval. The Parties stipulate to
15 class certification only for purposes of the Settlement. Plaintiffs shall apply to the
16 Court for approval of the Settlement Agreement and for class certification solely for
17 purposes of effectuating this Settlement. Defendants shall not oppose this
18 application. If, for any reason, the Settlement is not approved, the stipulation to
19 certification will be void. The Parties further agree that certification for purposes of
20 the Settlement is not an admission that class certification is proper under the
21 standard applied to contested certification motions and that this Settlement will not
22 be admissible in this, or any other, legal process as evidence that (i) a class should be
23 certified or (ii) Defendants are liable to Plaintiffs or any of the Class Members.

24 53. Retention of Settlement Administrator. The parties will retain Atticus
25 Administration, LLC as the Settlement Administrator, who shall be responsible for
26 administration of this Settlement.

27 54. Settlement Administration Costs. The Settlement Administrator shall be
28 paid for the costs of administration of the Settlement and distribution of all payments

1 from the Gross Settlement Amount. The estimate of the Settlement Administration
2 Costs is \$15,000.00. These costs, which shall be paid from the Gross Settlement
3 Amount, shall be used to administer the settlement, including, *inter alia*, creating
4 and maintaining a settlement website, preparing the required tax reporting on
5 Individual Settlement Payments, issuing 1099 and W-2 IRS Forms, distributing the
6 Notice of Settlement, calculating Individual Settlement Payments, calculating PAGA
7 Settlement Payments, processing exclusion requests, resolving disputes, distributing
8 the Net Fund Value as directed by the Court and as set forth herein, providing
9 necessary reports and declarations, and sending CAFA notice pursuant to 28 U.S.C.
10 § 1715. No fewer than ten (10) calendar days prior to the Final Approval hearing, the
11 Settlement Administrator shall provide the Court and all counsel for the Parties with
12 a statement detailing the Settlement Administration Costs. The Parties agree to
13 cooperate in the settlement administration process and to make all reasonable efforts
14 to control and minimize the costs and expenses incurred in the administration of the
15 Settlement. An IRS Form 1099 shall be issued to the Settlement Administrator.

16 55. Funding of the Class Settlement Amount. Defendants shall make a one-
17 time deposit of the Gross Settlement Amount into a Qualified Settlement Account to
18 be established by the Settlement Administrator. The funds in the Qualified
19 Settlement Account shall be used to pay: (1) Individual Settlement Payments; (2) the
20 PAGA Payment; (3) the award of Class Counsel Fees and Class Counsel Expenses;
21 (4) the Class Representative Enhancement payments; (5) Settlement Administration
22 Costs; and (6) all employee's withholdings and taxes associated with the wage-
23 portion of Individual Settlement Shares. Defendants shall deposit the Gross
24 Settlement Amount within fifteen (15) calendar days of the Effective Date.

25 56. Class Representative Enhancement. In exchange for a general release,
26 and in recognition of their efforts and work in prosecuting the Action on behalf of
27 Class Members, Defendants agree not to oppose any application or motion for Class
28 Representative Enhancement payments to Plaintiff Rubin-Knudsen of up to

1 \$15,000.00 and to Plaintiff Casillas of up to \$10,000.00. The Class Representative
2 Enhancement payments, which shall be paid from the Gross Settlement Amount,
3 shall be in addition to Plaintiffs' Individual Settlement Payments paid pursuant to
4 the Settlement. The Settlement Administrator shall issue an IRS Form 1099 for the
5 Class Representative Enhancement payments. Plaintiffs shall be solely and legally
6 responsible to pay any and all applicable taxes on the payments made pursuant to
7 this Paragraph and shall hold Defendants harmless from any claim or liability for
8 taxes, penalties, or interest arising as a result of the payments. Any reduction in the
9 amount of the Class Representative Enhancement payments by the Court will not
10 revert to Defendants, but shall be returned to the Net Fund Value to be distributed to
11 Participating Class Members.

12 57. Payment of Class Counsel Award. Defendants agree not to oppose any
13 application or motion by Class Counsel for an award of Class Counsel Fees not to
14 exceed \$2,666,667.00, and Class Counsel Expenses not to exceed \$150,000.00. The
15 Class Counsel Award shall be paid out of the Gross Settlement Amount. Any portion
16 of the Class Counsel Award not awarded to Class Counsel will not revert to
17 Defendants, but instead shall be returned to the Net Fund Value for distribution to
18 Participating Class Members. Class Counsel shall be solely and legally responsible
19 to pay all applicable taxes on the payment made pursuant to this Paragraph. IRS
20 Form 1099 shall be provided to Class Counsel for the payments made pursuant to
21 this Paragraph.

22 58. PAGA Payment. Subject to Court approval, \$10,000.00 from the Gross
23 Settlement Amount shall be designated for satisfaction of Plaintiffs' and PAGA
24 Representative Class Members' claims pursuant to the PAGA. Pursuant to the
25 PAGA, seventy-five percent (75%) – i.e., \$7,500.00 – of this amount shall be paid to
26 the LWDA and twenty-five percent (25%) – i.e., \$2,500.00 – shall be evenly
27 distributed to PAGA Representative Class Members as PAGA Settlement Payments
28 on a per capita basis. If the PAGA Payment is adjusted by the Court, it shall be

1 adjusted by using funds from the Gross Settlement Amount and in no event shall
2 increase the Gross Settlement Amount.

3 59. Net Fund Value. The Net Fund Value shall be available for distribution
4 to Participating Class Members in accordance with the notice procedure and formula
5 set forth in this Settlement Agreement.

6 60. Notice Procedure. The Settlement Administrator shall be responsible for
7 the following notice procedure.

8 a. Delivery of the Class Information. Within fourteen (14) calendar
9 days after Preliminary Approval, Defendants shall provide the Class
10 Information to only the Settlement Administrator. The Class Information shall
11 remain confidential and shall not be disclosed to anyone, except to carry out
12 reasonable efforts described below, or pursuant to express written
13 authorization by Defendants.

14 b. Notice by First-Class U.S. Mail. Within fourteen (14) calendar
15 days of receiving the Class Information, the Settlement Administrator shall
16 send the Notice of Settlement to all Class Members via regular First Class
17 U.S. Mail, using the most current mailing addresses identified in the Class
18 Information as updated using the National Change of Address Database.

19 c. Undeliverable Notices. Any Notices of Settlement returned to the
20 Settlement Administrator as non-delivered on or before the Response Deadline
21 shall be sent to the forwarding address affixed thereto. If no forwarding
22 address is provided, the Settlement Administrator shall promptly attempt to
23 determine a correct address using a skip-trace, or other search using the name,
24 address and/or Social Security number of the Class Member involved, and
25 shall re-mail the Notice of Settlement. If, after performing a skip-trace search,
26 the Notice of Settlement is still returned to the Settlement Administrator as
27 non-deliverable, the Settlement Administrator will have no further obligation
28 to undertake efforts to obtain an alternative address.

1 61. Request for Exclusion Procedure. The Notice of Settlement shall
2 provide Members with instructions on how to exclude themselves, or “opt-out,” in
3 part, from the class action (i.e., non-PAGA) portion of this Settlement.

4 a. Class Members who wish to opt-out of the class action portion of
5 this Settlement shall notify the Settlement Administrator in writing that they
6 want to exclude themselves, *i.e.*, opt-out, from the class action Settlement. The
7 request to opt-out sent to the Settlement Administrator must be postmarked no
8 later than the Response Deadline. Class Members shall be permitted to rescind
9 their opt-out statements in writing by submitting a rescission statement to the
10 Settlement Administrator not later than one (1) business day before the
11 Court’s Final Approval hearing, orally at the Final Approval hearing, or as
12 otherwise ordered by the Court.

13 b. The proposed order granting Preliminary Approval of the
14 Settlement will provide, and the Notice of Settlement will instruct Class
15 Members, that, to be valid, a written request to opt-out of the class action
16 Settlement Agreement must include the Class Member’s name, address, and
17 signature and state the following: I wish to opt-out of the class action
18 settlement of the lawsuit *Rubin-Knudsen et al. v. Arthur J. Gallagher & Co.,*
19 *et al.*, United States District Court for the Central District of California, Case
20 No. 2:18-cv-06227-JGB-SP. I understand that by requesting exclusion, I will
21 not be eligible to receive any payment or other benefit for Class Members
22 from the class action settlement involving Arthur J. Gallagher & Co. and
23 Arthur J. Gallagher Service Company, LLC.

24 c. A Class Member who does not properly and timely submit a
25 request to opt-out of the class action Settlement in the manner and by the
26 deadline specified above will automatically receive his or her Individual
27 Settlement Share in addition to his or her PAGA Settlement Share and will be
28 bound by all terms and conditions of the Settlement Agreement, including its

1 release of the Released Class Claims and Released PAGA Claims, if the
2 Settlement Agreement is approved by the Court, and be bound by the Final
3 Approval order, regardless of whether he or she has objected to the Settlement
4 Agreement.

5 d. A Class Member who properly and timely submits a request to
6 opt-out of the Settlement Agreement will not be entitled to any Individual
7 Settlement Share; will not release the Released Class Claims; will receive a
8 PAGA Settlement Share; will release the Released PAGA Claims; will not be
9 bound by the terms of the Settlement Agreement (except the release of claims
10 under the PAGA); and will not have any right to object, appeal, or comment
11 thereon.

12 e. Counsel for the Parties shall not discourage any Class Member
13 from participating in, objecting to, or opting out of the Settlement.

14 62. Objections. For a Class Member to object to the Settlement Agreement,
15 a Class Member must file with the Court by the Response Deadline a notice of
16 objection, signed by the Class Member, stating: (i) the Class Member's name;
17 (ii) current address; (iii) telephone number; (iv) dates of employment with
18 Defendants; (v) last 4-digits of his or her Social Security number; and (vi) the basis
19 of the objection, including the reasons why the objector believes that the Court
20 should find that the proposed Settlement is not in the best interests of the Class and
21 the reasons why the Settlement should not be approved. The Class Member must
22 serve a copy of his or her objection on Counsel for the Parties by the Response
23 Deadline. The postmark date of the filing and service shall be deemed the exclusive
24 means for determining that the notice of objection is timely. Class Members who fail
25 to make and mail written objections in the manner and by the deadline specified
26 above shall be deemed to have waived any objections and shall be foreclosed from
27 making any objections (whether by appeal or otherwise) to the Settlement. Class
28 Members shall be permitted to withdraw their objections in writing by submitting a

1 withdrawal statement to the Settlement Administrator not later than one (1) business
2 day before the Court's Final Approval hearing, orally at the Final Approval hearing,
3 or as otherwise ordered by the Court. A Class Member who files and serves a timely
4 notice of objection will have a right to appear at the Final Approval hearing to have
5 his or her objection heard by the Court.

6 63. Disputed Information on Notice of Settlement. Each Class Member
7 shall have an opportunity to dispute the employment dates and number of Qualifying
8 Workweeks attributed to him or her in the Notice of Settlement, and must submit
9 such a dispute on or before the Response Deadline. To the extent a Class Member
10 disputes the employment dates or number of Qualifying Workweeks listed in the
11 Notice of Settlement, the Class Member may produce evidence to the Settlement
12 Administrator showing that such information is inaccurate. Absent evidence
13 rebutting Defendants' records, Defendants' records will be presumed determinative.
14 However, if a Class Member produces evidence to the contrary, the Parties will
15 evaluate the evidence submitted by the Class Member and will make the decision as
16 to the number of eligible Workweeks that should be applied, subject to the
17 procedures set forth in Paragraph 66 below.

18 64. The Settlement Terms Bind All Class Members Who Do Not Opt-Out.
19 Any Class Member who does not affirmatively opt-out of the Settlement Agreement
20 by submitting a timely and valid letter requesting exclusion from the Settlement,
21 consistent with the terms of this Settlement Agreement, shall be bound by all of its
22 terms, including those pertaining to the Release, as well as any judgment that may be
23 entered by the Court after it grants Final Approval of the Settlement.

24 65. Certification Reports Regarding Requests for Exclusion and Disputes.
25 The Settlement Administrator shall provide Defendants' Counsel and Class Counsel
26 a weekly report which certifies: (a) the number of Class Members who have
27 submitted a valid or defective letter requesting exclusion from, *i.e.*, to opt-out of, the
28 Settlement; (b) whether any Class Member has submitted a challenge to any

1 information contained in their Notice of Settlement; and (c) the number of returned,
2 undeliverable and/or re-mailed Notice of Settlements. Additionally, the Settlement
3 Administrator will provide to counsel for both Parties any updated reports regarding
4 the administration of the Settlement Agreement as needed or requested.

5 66. Individual Settlement Share Calculations. The Settlement Administrator
6 shall determine the eligibility for, and the amounts of, any Individual Settlement
7 Shares or Payments that Participating Class Members may receive under the terms of
8 this Settlement Agreement. Should any question arise regarding the determination of
9 eligibility for participation in the Settlement or the amount of any Individual
10 Settlement Payment under the terms of this Settlement Agreement, Class Counsel
11 and Defendants' Counsel will meet and confer in good faith in an attempt to reach an
12 agreement. Any unresolved disputes concerning the administration of the Settlement
13 Agreement will be resolved by the Court, under the laws of the State of California.

14 a. Each Class Member who does not timely request to opt-out will
15 receive a share of the remaining Net Fund Value ("Individual Settlement
16 Share"), less the employee's withholdings and taxes associated with the wage
17 portion of the Individual Settlement Shares, based on the number of
18 Qualifying Workweeks a Class Member was employed by, and performed
19 work for, Defendants in an exempt Client Service Manager Position in
20 California at any time from July 18, 2014 to the earlier of the date of
21 Preliminary Approval or December 31, 2020, excluding weeks when the Class
22 Member was on leave for the entire week. Specific calculations of Individual
23 Settlement Shares shall be made as follows:

24 i. The Settlement Administrator shall calculate the total
25 aggregate number of Qualifying Workweeks that all Class Members
26 were employed by, and performed work for, Defendants in an exempt
27 Client Service Manager Position in California at any time from July 18,
28 2014 to the earlier of the date of Preliminary Approval or December 31,

2020, excluding weeks when Class Members were on leave for the entire week (“Total Workweeks”).

ii. The value of each individual Qualifying Workweek shall then be determined by dividing the proceeds of the Net Fund Value by the Total Workweeks, resulting in the “Workweek Value.” Each Individual Settlement Share shall then be determined by multiplying the individual Participating Class Member’s number of Qualifying Workweeks by the Workweek Value.

iii. If any Class Members submit timely and valid Requests for Exclusion, the Settlement Administrator shall reallocate their Individual Settlement Payment amounts to the Net Fund Value for distribution to Participating Class Members pursuant to the terms of this Settlement Agreement. The Settlement Administrator shall provide the final Individual Settlement Payment calculations to Defendants only (except as set forth in Paragraph 63). The Settlement Administrator shall withhold any legally mandated withholdings or deductions (*e.g.*, payroll taxes, etc.) from the Individual Settlement Payment for each Participating Class Member and remit tax withholdings to the applicable tax authorities.

67. Allocation of Individual Settlement Shares. One-third of each Individual Settlement Share shall be allocated as wages and two-thirds of each Individual Settlement Share shall be allocated as penalties and interest. Individual Settlement Shares will be paid out to Participating Class Members subject to reduction for all employee’s share of withholdings and taxes associated with the wage-portion of the Individual Settlement Shares.

1 68. PAGA Settlement Share Calculations. Each PAGA Representative
2 Class Member, regardless of whether he or she timely requests to opt-out, will
3 receive a portion of the PAGA Settlement Share allocated on a per capita basis.
4 Specific calculations of the PAGA Settlement Shares shall be made by dividing 25
5 percent of the PAGA Payment (\$2,500.00) by the total number of PAGA
6 Representative Class Members.

7 69. Payment of Settlement Amounts. The Settlement Administrator shall
8 have the authority and obligation to make all payments, credits, and disbursements,
9 calculated in accordance with the methodology set out in this Settlement Agreement
10 and orders of the Court.

11 a. The Settlement Administrator's duties include, and are not limited
12 to, reporting payments under the Settlement to all required taxing and other
13 authorities, taking and transmitting the appropriate employee's share of
14 withholdings and taxes with respect to the wage-portion of the Individual
15 Settlement Shares, and issuing IRS Forms W-2 and 1099. No person shall
16 have any claim against Defendants, Defendants' Counsel, Plaintiff,
17 Participating Class Members, Class Counsel, or the Settlement Administrator
18 based on distributions and payments made in accordance with this Settlement
19 Agreement.

20 b. With respect to Participating Class Members whose Notice of
21 Settlement are undeliverable, as provided in Paragraph 60(c), settlement
22 checks shall be sent to the last address obtained by the Settlement
23 Administrator with respect to the Participating Class Member. If the
24 settlement checks are not negotiated within the timeframe set forth in
25 Paragraph 71, the corresponding funds shall be handled as provided in
26 Paragraph 71.

27 70. Distribution Timing. Within thirty (30) calendar days of the Effective
28 Date, the Settlement Administrator shall issue payments to (1) Participating Class

Members; (2) Plaintiffs; (3) Class Counsel; and (4) itself, for Court-approved services performed in connection with the Settlement.

71. Non-Negotiated Settlement Checks. Any checks issued by the Settlement Administrator to Participating Class Members shall be negotiable for one hundred and eighty (180) calendar days. Those funds represented by settlement checks returned as undeliverable and the funds which correspond with the settlement checks that are not negotiated within one hundred and eighty (180) calendar days after issuance shall be cancelled and the funds associated with such cancelled checks, plus any accrued interest that has not been distributed, shall, within ten (10) calendar days after the last day of the 180-day period, be tendered by the Settlement Administrator to the State Controller's office as unclaimed property in the name of the Participating Class Member(s) who did not cash the checks.

72. Settlement Administrator's Final Report(s). Not less than ten (10) calendar days after the Response Deadline, the Settlement Administrator shall provide Defendants' Counsel and Class Counsel a report showing: (i) the names of Participating Class Members; and (ii) the Individual Settlement Payments owed to each Participating Class Member; and (iii) the final number of Class Members who have submitted objections or valid letters requesting exclusion from the Settlement. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to counsel for all Parties and the Court, if requested by the Parties.

73. Defendants' Right to Revoke. If, after the Response Deadline and before the Final Approval hearing, five percent (5%) or more of the Class Members opt-out, Defendants shall have the right, in their sole discretion, to void and revoke the Settlement Agreement and its stipulation to class certification. Defendants shall have thirty (30) calendar days after the Response Deadline to notify Class Counsel in writing of their intent to revoke the Settlement Agreement and the conditional class certification. If Defendants revoke the Settlement Agreement, they shall pay the fees

1 incurred by the Settlement Administrator to date.

2 74. Effect of Increase in Workweeks. This Settlement is based on data
3 provided by Defendants, which at the time of mediation showed that, for the period
4 of July 18, 2014 through approximately September 4, 2020, Class Members worked
5 no more than 45,045 workweeks in a Client Service Manager Position in California
6 while classified as exempt. If it is determined that the Qualifying Workweeks
7 through Preliminary Approval or December 31, 2020, whichever is sooner, exceed
8 49,550 (45,045, plus 10% of 45,045), the Gross Settlement Amount will be
9 increased by the same number of percentage points above 10% by which the
10 Qualifying Workweeks exceed 45,045. For instance, if the Qualifying Workweeks
11 are determined to be 12% higher than 45,045, the Gross Settlement Amount will be
12 increased by 2%.

13 75. Class Release by Participating Class Members. Upon the Final
14 Approval by the Court of this Settlement Agreement and payment of amounts set
15 forth herein, and except as to such rights or claims as may be created by this
16 Settlement Agreement, each and every Participating Class Member, on behalf of
17 themselves and their heirs and assigns, hereby releases Defendants Arthur J.
18 Gallagher & Co. and Arthur J. Gallagher Service Company, LLC, including their
19 current or former parent, subsidiary, or affiliate entities, and each of their owners,
20 officers, directors, members, managers, employees, attorneys, insurers, assigns,
21 shareholders, successors, predecessors, and agents (collectively the “Released
22 Parties”) from the following rights or claims (the “Released Class Claims”):

23 a. Any and all claims that are or could have been alleged in the
24 Complaint, and any amendments thereto, based on and/or related to the factual
25 allegations contained therein. This includes all claims for failing to pay
26 overtime wages because of misclassification (including claims under state law
27 and under the FLSA), failing to provide meal and rest periods and failing to
28 pay related premiums/penalties, failing to furnish accurate itemized wage

1 statements, and waiting time penalties. This covers all claims for unpaid
2 wages or compensation, premium payments, liquidated damages, restitution
3 (including for unfair competition), penalties, attorneys' fees or costs, and/or
4 any other damages or amounts related to any or all of the foregoing.

5 b. The release includes any and all claims that were or could have
6 been asserted based on or related to the facts and/or allegations in any
7 complaint filed in this action.

8 c. Participating Class Members shall release the Released Class
9 Claims for the period ending on the earlier of the date of Preliminary Approval
10 or December 31, 2020.

11 76. PAGA Release by PAGA Representative Class Members: Upon the
12 Final Approval by the Court of this Settlement Agreement and payment of amounts
13 set forth herein, and except as to such rights or claims as may be created by this
14 Settlement Agreement, each and every PAGA Representative Class Member, on
15 behalf of themselves and their heirs and assigns, and irrespective of whether the
16 PAGA Representative Class Member opted out of the class action portion of this
17 Settlement, hereby releases the Released Parties from the following rights or claims
18 (the "Released PAGA Claims"):

19 a. Any and all claims for civil penalties under California Labor
20 Code section 2698 *et seq.* ("PAGA") that are or could have been alleged in the
21 Complaint, and any amendments thereto, based on and/or related to the factual
22 allegations contained therein, including California Labor Code sections 201,
23 202, 203, 204, 226, 226.7, 510, 512, 1194, and 1198. This includes all claims
24 under PAGA for failing to pay overtime wages because of misclassification,
25 failing to provide meal and rest periods and failing to pay related
26 premiums/penalties, failing to furnish accurate itemized wage statements, and
27 waiting time penalties. This covers all claims under PAGA for unpaid wages
28 or compensation, premium payments, liquidated damages, restitution

(including for unfair competition), penalties, attorneys' fees or costs, and/or any other damages or amounts related to any or all of the foregoing.

b. The release includes any and all claims under PAGA that were or could have been asserted based on or related to the facts and/or allegations in any complaint filed in this action.

c. PAGA Representative Class Members shall release the Released PAGA Claims for the period ending on the earlier of the date of Preliminary Approval or December 31, 2020.

77. General Release by Plaintiffs Only. As of the Effective Date, and with the exceptions set forth herein, Plaintiffs shall release the Released Class Claims and Released PAGA Claims against the Released Parties, and Plaintiffs make the additional following General Release in favor of the Released Parties:

a. Plaintiffs individually unconditionally waive and forever release any and all demands, damages, debts, liabilities, actions, causes of action and claims of every kind and nature whatsoever, whether now known or unknown, suspected or unsuspected, which they ever had or now have against the Released Parties arising or accruing at any time before the Effective Date. Plaintiffs may hereafter discover facts in addition to or different from those which they now know or believe to be true, but stipulate and agree that, upon the Effective Date, they fully, finally, and forever settle and release any and all claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity and without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs are deemed by operation of the order granting Final Approval to have agreed not to sue or otherwise make a claim against any of the Released Parties for any claim arising or accruing at any time before the Effective Date.

b. Plaintiffs acknowledge that they have had the opportunity to

1 review, and have reviewed, California Civil Code section 1542, which
2 provides:

3 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT
4 THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR
5 SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF
6 EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR
7 HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
8 SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

9 Being fully informed of this provision of the Civil Code and
10 understanding its provisions, Plaintiffs agree to waive any rights under that
11 section, and acknowledge that this Settlement Agreement and the release
12 contained herein extends to all claims they have or might have against the
13 Released Parties, including those which are presently unknown to them.

14 c. Notwithstanding the foregoing, this Settlement shall have no
15 effect on Plaintiff Rubin-Knudsen's workers' compensation settlement with
16 Defendants.

17 78. Plaintiffs' Release of Age Discrimination in Employment Act Claim.

18 Plaintiffs understand and acknowledge that:

19 a. They are voluntarily waiving any and all rights and claims they
20 have against the Released Parties as of the date they sign this Agreement
21 arising pursuant to the Age Discrimination in Employment Act, 29 U.S.C.
22 §§ 623, *et seq.* ("ADEA");

23 b. They are waiving these substantive rights or claims pursuant to
24 this Agreement in exchange for consideration, the value of which exceeds the
25 payment or remuneration to which they were already entitled;

26 c. They are hereby advised in writing to consult with an attorney of
27 their choosing concerning this Agreement prior to executing it. They further
28 acknowledge that they had the opportunity to seek and did seek such advice,
and that their execution of this Agreement is voluntary and without coercion;

d. They have been given at least twenty-one (21) days to consider

1 the terms of this Agreement, and in the event they should decide to sign this
2 Agreement in fewer than twenty-one (21) days, they have done so with the
3 express understanding that they have been given and declined the opportunity
4 to consider this Agreement for a full twenty-one (21) days;

5 e. They may revoke their waiver of claims arising pursuant to the
6 ADEA at any time during the seven (7) days following the date they sign this
7 Agreement. Plaintiffs understand and agree that should they revoke their
8 waiver of claims arising pursuant to the ADEA at any time during the seven
9 (7) days following the date they sign this Agreement, they will receive fifty
10 percent (50%) of their Individual Settlement Payments and Class
11 Representative Enhancement payments – and that such amount will be the
12 consideration for a release of all their rights and claims addressed in this
13 Agreement, except any claims they may have pursuant to the ADEA. Plaintiffs
14 further understand and agree that should they not revoke her waiver of claims
15 arising pursuant to the ADEA during the seven (7) days following the date
16 they sign this Agreement, they will receive one hundred percent (100%) of
17 their Individual Settlement Payments – and that such amount will be
18 consideration for the release of all their rights and claims addressed in this
19 Agreement, including any claims they may have pursuant to the ADEA; and

20 f. Any revocation must be in writing and delivered by hand,
21 certified mail, or Federal Express with signature required, to Winston &
22 Strawn LLP, Attn: Joan Fife, 101 California Street, 35th Floor, San Francisco,
23 CA 94111;

24 g. Any changes to this Agreement, whether material or immaterial,
25 do not restart the twenty-one-day (21-day) consideration period.

26 79. Final Approval Hearing and Entry of Judgment. Upon expiration of the
27 deadlines to postmark a letter requesting exclusion from the Settlement, or
28 objections to the Settlement Agreement, and with the Court's permission, a Final

1 Approval hearing shall be conducted to finally determine the fairness of the
2 Settlement, along with the amounts properly payable for (a) Individual Settlement
3 Payments; (b) the PAGA Payment; (c) the Award of Class Counsel Fees and Class
4 Counsel Expenses; (d) the Class Representative Enhancement payments; and (e) all
5 Settlement Administration Costs. Plaintiffs' Counsel will be responsible for drafting
6 the attorneys' fees and costs application to be heard at the Final Approval hearing.

7 80. Judgment and Continued Jurisdiction. Upon Final Approval of the
8 Settlement by the Court or after the Final Approval hearing, the Parties shall present
9 a proposed judgment to the Court for its approval. After entry of the judgment, the
10 Court shall retain jurisdiction solely for purposes of addressing: (a) the interpretation
11 and enforcement of the terms of the Settlement, (b) Settlement administration
12 matters, and (c) such post-judgment matters as may be appropriate under Court rules
13 or as set forth in this Settlement Agreement.

14 81. No Solicitation of Settlement Objections or Exclusions. The Parties
15 agree to use their best efforts to carry out the terms of this Settlement Agreement. At
16 no time shall any of the Parties or their counsel seek to solicit or otherwise
17 encourage Class Members to submit either a letter requesting exclusion from the
18 Settlement or written objections to the Settlement Agreement or to appeal from the
19 Court's final judgment.

20 82. Nullification of Settlement Agreement. In the event: (i) Defendants
21 rescind this Settlement Agreement as set forth herein; (ii) the Court does not finally
22 approve the Settlement as provided herein; (iii) the Court does not enter a final
23 judgment as provided herein, which becomes final as a result of the occurrence of
24 the Effective Date; or (iv) the Settlement does not become final for any other reason,
25 this Settlement Agreement shall be null and void and any order or judgment entered
26 by the Court in furtherance of this Settlement shall be treated as void from the
27 beginning. In such a case, the Parties shall be returned to their respective statuses as
28 of the date and time immediately prior to the execution of this Settlement Agreement

1 and the Parties shall proceed in all respects as if this Settlement Agreement had not
2 been executed. In the event an appeal is filed from the Court's final judgment, or any
3 other appellate review is sought prior to the Effective Date, administration of the
4 Settlement shall be stayed pending final resolution of the appeal or other appellate
5 review (unless otherwise agreed to by the Parties).

6 83. No Admission. Nothing contained herein, nor the consummation of this
7 Settlement Agreement, is to be construed or deemed an admission of liability,
8 culpability, negligence, or wrongdoing on the part of Defendants or any of the other
9 Released Parties. Each of the Parties hereto has entered into this Settlement
10 Agreement with the intention of avoiding further disputes and litigation with the
11 attendant inconvenience and expenses. This Settlement Agreement is a settlement
12 document and, pursuant to California Evidence Code section 1152 and/or Federal
13 Rule of Evidence 408 and/or any other similar law, shall be inadmissible in evidence
14 in any proceeding, except an action or proceeding to approve the Settlement, and/or
15 interpret or enforce this Settlement Agreement.

16 84. Notices. Unless otherwise specifically provided herein, all notices,
17 demands or other communications given hereunder shall be in writing and shall be
18 deemed to have been duly given as of the third business day after mailing by United
19 States registered or certified mail, return receipt requested, or upon receipt if sent by
20 Federal Express with signature required, addressed as follows:

21
22 **To Class Counsel:**

23 Jason M. Frank
24 Scott H. Sims
25 FRANK SIMS STOLPER, LLP
19800 MacArthur Blvd., Suite 855
Irvine, CA 92612

To Defendants' Counsel:

Joan B. Tucker Fife
Caitlin W. Tran
WINSTON & STRAWN LLP
101 California Street, 35th Floor
San Francisco, CA 94111

26 A courtesy copy of any Notice given by the parties shall also be sent by e-mail to
27 Class Counsel and Defendants' Counsel.

28 85. Tax Liability. The Parties make no representations as to the tax

1 treatment or legal effect of the payments called for hereunder, and Participating
2 Class Members are not relying on any statement or representation by the Parties in
3 this regard. Defendants shall pay any amounts owed for employer-side payroll taxes,
4 separate and apart from the Gross Settlement Amount. Each Participating Class
5 Member shall be solely responsible for any and all additional federal, state, and local
6 taxes and/or penalties that may be due from payment of any Individual Settlement
7 Payment made to him/her, whether it is determined that any additional taxes are
8 owed based on the taxation laws in effect on the date of execution of this Agreement
9 or that may become due at any time in the future because of a change to the laws
10 governing the taxation of such settlement proceeds. Each Participating Class
11 Member will hold the Parties and their Counsel free and harmless from and against
12 any claims resulting from the treatment of such payments as non-taxable damages,
13 including the treatment of such payment as not subject to withholding or deduction
14 for payroll and employment taxes. Each Party to this Agreement acknowledges and
15 agrees that no provision of this Agreement, and no written communication or
16 disclosure between or among the Parties or their attorneys and other advisers, is or
17 was intended to constitute or be construed or be relied upon as, tax advice.

18 86. Exhibits and Headings. The terms of this Agreement include the terms
19 set forth in any attached Exhibits, which are incorporated by this reference as though
20 fully set forth herein. Any Exhibits to this Agreement are an integral part of the
21 Settlement. The descriptive headings of any paragraphs or sections of this
22 Agreement are inserted for convenience of reference only and do not constitute a
23 part of this Agreement.

24 87. Amendment or Modification. Unless otherwise provided herein, this
25 Settlement Agreement may be amended or modified only by a written instrument
26 signed by counsel for all Parties or their successors-in-interest.

27 88. Entire Agreement. This Settlement Agreement, any supplemental
28 written agreement subsequently incorporated, and any attached Exhibits constitute

1 the entire Settlement Agreement among these Parties, and no oral or written
2 representations, warranties or inducements have been made to any party concerning
3 this Settlement Agreement or its Exhibits other than the representations, warranties,
4 and covenants contained and memorialized in such documents.

5 89. Authorization to Enter Into Settlement Agreement. The signatories
6 hereto represent that they are fully authorized to enter into this Settlement
7 Agreement and bind the Parties hereto to the terms and conditions hereof.

8 90. Opportunity to Consult With Counsel. The Parties are represented by
9 competent counsel, and have had an opportunity to consult with counsel prior to the
10 execution of this Settlement Agreement.

11 91. Mutual Full Cooperation. The Parties and their counsel will cooperate
12 with each other and use their best efforts to affect the implementation of the
13 Settlement. In the event the Parties are unable to reach agreement on the form or
14 content of any document needed to implement the Settlement, or on any
15 supplemental provisions that may become necessary to effectuate the terms of this
16 Settlement, the Parties may seek the assistance of the Court to resolve such
17 disagreement.

18 92. Binding on Successors and Assigns. This Settlement Agreement shall be
19 binding upon and inure to the benefit of the Parties hereto and their respective heirs,
20 trustees, executors, administrators and successors. The Parties hereto represent,
21 covenant, and warrant that they have not directly or indirectly, assigned, transferred,
22 encumbered, or purported to assign, transfer, or encumber to any person or entity
23 any portion of any liability, claim, demand, action, cause of action or rights herein
24 released and discharged except as set forth herein.

25 93. Participating Class Member Signatories. It is agreed that because the
26 Participating Class Members are so numerous, it is impossible or impractical to have
27 each Participating Class Member execute this Settlement Agreement. The Notices of
28 Settlement will advise all Class Members of the binding nature of the release and,

upon Final Approval, such shall have the same force and effect as if this Settlement Agreement were executed by each Participating Class Member.

94. California Law Governs. All terms of this Settlement Agreement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

95. Counterparts. This Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Settlement Agreement shall exchange among themselves original signed counterparts.

96. Plaintiffs' Waiver of Right to be Excluded. Plaintiffs agree that by signing this Settlement Agreement, they are bound by the terms herein stated and further agree not to request to be excluded from the Class.

97. Confidentiality Preceding Preliminary Approval. Consistent with the Federal Rules of Evidence and to the extent applicable, California Evidence Code Sections 1115-1129, Plaintiffs and Class Counsel agree that information exchanged during settlement negotiations and leading up to this Settlement shall remain confidential. Plaintiffs and Class Counsel agree that they will not file a press release regarding this Settlement, except that Class Counsel will include references to the Settlement on their website.

98. Disposition of Data. The Parties expressly agree that all confidential data and information shared by the Parties in this litigation and in the negotiations leading up to this Settlement shall be handled pursuant to the terms of the Protective Order issued in this Action.

Dated: ~~October~~ November 9, 2020


Pamela Rubin-Knudsen

Dated: October __, 2020

Marnine Casillas

upon Final Approval, such shall have the same force and effect as if this Settlement Agreement were executed by each Participating Class Member.

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Dated: October ____, 2020

Pamela Rubin-Knudsen

Dated: October 31__, 2020

Marnine Casillas
Marnine Casillas

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97. Confidentiality. ~~Exceeding Preliminary Approval.~~ Consistent with the Federal Rules of Evidence and to the extent applicable, California Evidence Code Sections 1115-1129, Plaintiffs and Class Counsel agree that information exchanged during settlement negotiations and leading up to this Settlement shall remain confidential. Plaintiffs and Class Counsel agree that they will not file a press release regarding this Settlement, except that Class Counsel will include references to the Settlement on their website.

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Dated: October __, 2020

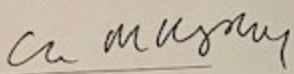
Pamela Rubin-Knudsen

Dated: October __, 2020

Marnie Casillas

ARTHUR J. GALLAGHER & CO. and ARTHUR J.
GALLAGHER SERVICE COMPANY, LLC

Dated: October __, 2020

^{21st} 
By: Neil Murphy
Its: Chief Litigation Counsel

APPROVED AS TO FORM: WINSTON & STRAWN LLP

Dated: October __, 2020

By: _____

Joan B. Tucker Fife
Emilie C. Woodhead
Caitlin W. Tran
Gabriella R. Albright
Stephen V. D'Amore (admitted *pro hac vice*)
Attorneys for Defendants
ARTHUR J. GALLAGHER & CO. and ARTHUR J.
GALLAGHER SERVICE COMPANY, LLC

Dated: October __, 2020

FRANK SIMS & STOLPER LLP

By: _____

ARTHUR J. GALLAGHER & CO. and ARTHUR J.
GALLAGHER SERVICE COMPANY, LLC

Dated: October __, 2020

By: _____
Its: Chief Litigation Counsel

APPROVED AS TO FORM: WINSTON & STRAWN LLP

Dated: November 9, 2020

By: _____
Joan B. Tucker Fife
Emilie C. Woodhead
Caitlin W. Tran
Gabriella R. Albright
Stephen V. D'Amore (admitted *pro hac vice*)
Attorneys for Defendants
ARTHUR J. GALLAGHER & CO. and ARTHUR J.
GALLAGHER SERVICE COMPANY, LLC

Dated: ~~October~~ ^{11/9}, 2020

FRANK SIMS & STOLPER LLP

By: _____
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PAMELA RUBIN-KNUDSEN and
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